

Case Number: 08.05.001.022.037

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of concentration regarding the acquisition of the share capital of
Contabo Topco GmbH by KKR & Co. Inc., via Constellation BidCo GmbH**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member

Date of Decision: 2nd of August 2022

SUMMARY OF THE DECISION

On 27/06/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Constellation BidCo GmbH, a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which KKR & Co. Inc. (hereinafter the “KKR & Co.”) intend to acquire the share capital of Contabo Topco GmbH and its subsidiaries (hereinafter the “Contabo” or the “Target”), via Constellation BidCo GmbH (hereinafter the “Constellation BidCo”).

The parties involve in the transaction are the following:

- KKR & Co. is a global investment firm offering alternative asset management and capital markets and insurance solutions. It finances investment funds that

invest in private equity, credits and real estate and has strategic partners that manage hedge funds. It also aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting the growth of its portfolio companies and communities. The common stock of KKR & Co. is owned by a broad base of individuals and are publicly traded on the New York Stock Exchange (NYSE). KKR & Co. is controlled exclusively by KKR Management LLP.

- Constellation BidCo is a private company duly registered under the laws of Germany. It is a special purpose vehicle, with no previous business activities, established solely for the purposes of the transaction. It is indirectly wholly owned by investment vehicles and/or accounts advised and/or managed by various KKR & Co. subsidiaries.
- The Target is a company duly registered under the laws of Germany and belongs to the Contabo group. The Contabo Group is a global provider of cloud infrastructure, including cloud virtual private servers / cloud virtual dedicated servers (“VPS/VDS”), bare metal servers and game cloud for small and medium enterprises (“SMEs”), prosumers, developers and gamers.

This concentration is based on a Sale and Purchase Agreement about the Contabo Group dated 01/06/2022 and 02/06/2022, (hereinafter the “Agreement”) which was agreed upon by and among the Contabo Finco S.à r.l., Contabo Luxco S.à r.l. and Constellation BidCo.

The Commission, taking into account the facts of the concentration, has concluded that upon completion of this merger, KKR & Co. will acquire the share capital of Contabo, via Constellation BidCo, in accordance with the provisions of section 6 (1)(a)(ii) of the Law.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product/services market in this case was defined as the market of IT outsourcing services. In addition, the Commission concluded that the geographical market is defined, for the relevant market under reference, as that of the territory of the Republic of Cyprus.

According to the notification, the activities of KKR (including those of KKR's controlled portfolio companies) do not overlap with the business activities of the Target in Cyprus. Therefore, there is no horizontal overlap between the activities of KKR (including those of KKR's controlled portfolio companies) and the Target in Cyprus.

Also, according to the notification there are no applicable vertical relationships between the activities of KKR (including those of KKR's controlled portfolio companies) and the Target in Cyprus and the transaction will not result in any significant vertical relationships between the activities of KKR (including those of KKR's controlled portfolio companies), and the Target in Cyprus.

Moreover, according to the parties, Cloudera's products/services are not complementary to those provided by the Target and are not purchased by the same customers.

Based on the above data, there is no affected market by horizontal overlap and/or vertical relationship of the activities of the participating companies, as defined in Annex I of the Law. In addition, no other markets arise which could be significantly affected by the notified concentration.

According to the provisions of the Law, specifically articles 20 and 21, the criterion, on the basis of which a concentration is declared compatible or incompatible with the operation of competition in the market, concerns the significant hindrance of competition in the Republic or in a significant part of it, in particular as result of the creation or strengthening of a dominant position.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Mrs. Loukia Christodoulou,
Chairperson of the Commission for the Protection of Competition